

# ADMINISTRATIVE HEARINGS DIVISION

May 26, 2021

## STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. E Blossom, LLC  
Ming Hui Bao, Member-  
dba **E BLOSSOM**  
(Producer)

OAR 845-025-1450(1)(a) - On or about October 3, 2019, Licensee and/or its employees, agents or representatives failed to have cameras that continuously recorded, 24 hours a day, in all areas where mature marijuana plants, immature marijuana plants, and useable marijuana or waste may be present on the licensed premises, when four cameras were not functioning or recording at all, three of which were directed at areas where mature marijuana plants, immature marijuana plants, useable marijuana and/or waste may have been present on the licensed premises.

(Category I)

OAR 845-025-1450(2)(j) - On or about October 3, 2019, Licensee and/or its employees, agents or representatives failed to make video surveillance records and recordings available immediately upon request to the Commission in a format specified by the Commission for the purpose of ensuring compliance with ORS chapter 475B and OAR 845 division 025, when they were unable to produce on request video of the surveillance system.

(1<sup>st</sup> Level Category II)

ORS 475B.261(2), OAR 845-025-5500(4). On or about October 3, 2019, Licensee and/or its employees, agents, or representatives failed to verify that marijuana worker Yuqing Lin had

Note: Licensee was charged with these violations by Notice dated January 19, 2021. The proposed sanction was license cancellation. Licensee originally requested a hearing and now wishes to enter into this settlement agreement.

### AGGRAVATION

Violation Number One was aggravated for repeated misconduct.

(continue **E BLOSSOM**)

a valid marijuana worker permit before allowing Yuqing Lin to perform any work of the kind described in ORS 475B.261(1) and/or OAR 845-025-5500(1) on the licensed premises.

(1<sup>st</sup> Level Category III)

**SYNOPSIS:** This is a producer licensee that had four non-operational cameras, preventing a full record of the outdoor canopy. The Licensee reports working with a technician to upgrade wiring, cameras, notification systems, and cloud storage, after learning that improper wiring was causing outages during the rainy season. Licensee also reports implementation of regular frequent camera inspections.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I, first Category II, and first Category III violations. Any subsequent Category II or Category III violations within the same two years will be charged at the second level. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. The standard sanction for the Category I violation is license cancellation. The standard sanction for the Category II violation is a 30-day license suspension. The standard sanction for the Category III violation is a 10-day license suspension, or a \$1,650.00 civil penalty. Violation Number One was aggravated for repeated misconduct.
3. The Commission will reduce the sanction for Violation Number One to a 32-day suspension or a \$4,950.00 civil penalty plus a two-day suspension. The Commission will reduce the sanction for Violation Number Two to a 21-day suspension. The Commission will reduce the sanction for Violation Number Three to a seven-day suspension or a \$1,155.00 civil penalty.
4. Licensee will either serve a 60-day suspension beginning at 12:00 PM (noon) on June 22, 2021 and ending at 12:00 PM (noon) on August 21, 2021, **OR** pay a \$6,105.00 civil penalty before 5:00 PM on June 15, 2021 and serve a 23-day suspension beginning at 12:00 PM (noon) on June 22, 2021 and ending at 12:00 PM (noon) on July 15, 2021.
5. Licensee withdraws its Request for Hearing in this matter.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on these allegations, the licensee agrees to accept a Letter of Reprimand. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for a license or permit by that licensee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

2. LF Farms, LLC  
Richard Lewman, President/Stockholder  
Brian Lewman, Vice  
President/Stockholder  
Denise Flansburg, Secretary/Treas/Stockholder  
Jason Flansburg, Director/Stockholder  
dba **LF FARMS/LIVE FREE**  
(Producer)

OAR 845-025-2020(1)(c), (2) - On or about October 25, 2018, November 2, 2018, November 3, 2018, November 4, 2018, November 5, 2018, November 6, 2018, November 7, 2018, November 8, 2018, November 9, 2018, November 10, 2018, December 20, 2018, October 3, 2019, October 16, 2019, October 21, 2019, October 28, 2019, November 7, 2019, January 6, 2020, and/or January 9, 2020, Licensee operated other than its license permits when Licensee and/or its employees, agents, or representatives sold, delivered or transported non-waste useable marijuana and/or marijuana buds to producer licensee Rogue Farmer at Quartz Creek (Producer License No. 100260706A6).

(Category I)

OAR 845-025-1160(4) - On or about July 31, 2018, Licensee changed its business structure and/or changed who held financial interests in the licensed marijuana producer business without obtaining prior approval by the Commission, when Licensee and/or its employees, agents or representatives permitted Ryan Beyerlein and/or Rogue Farmer at Schroeder Lane, LLC to assume control of the business and to acquire a financial interest in the business.

(Category I)

OAR 845-025-2080(1)(d)(e)(f) - On 18 dates between about September 11, 2019 and December 21, 2019 (with respect to harvests from July 27, 2019 to November 5, 2019), Licensee and/or its employees, agents or representatives failed within 45 days of the date of each harvest to ensure that all inventory tracking procedures had been followed as required by OAR 845-025-7540 to 845-025-7580; failed to ensure that current weights of all receptacles linked to each plant that was harvested was accurately recorded in the METRC Cannabis Tracking System (CTS) pursuant to the system requirements of CTS; and/or failed to ensure that all weight of the harvest had been recorded and designated in CTS as either usable marijuana with an assigned unique identification tag, waste or moisture loss.

(1<sup>st</sup> Level Category III)

Note: Licensee was charged with these violations by Notice dated June 2, 2020. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Violations Number One and Number Three were aggravated because they were repeated.

(continue **LF FARMS/LIVE FREE**)

OAR 845-025-7540(1)(2) –

On or about January 6, 2020, Licensee failed to enter data into CTS that fully and transparently accounted for all inventory tracking activity, when Licensee and/or its employees, agents, or representatives created an unapproved “virtual manifest” (Manifest No. 0002065908) according to which 20 packages of marijuana “buds” left Licensee’s premises in Grants Pass, Oregon at 2:13 PM on January 6, 2020, and arrived at the premises of Rogue Farmer at Quartz Creek in Medford, Oregon at 2:15 PM on January 6, 2020.

(1<sup>st</sup> Level Category III)

**SYNOPSIS:** This producer licensee sent usable marijuana to another producer, Rogue Farmer at Quartz Creek (RFQC), which is outside its license privileges. It was mistaken in its belief that common ownership permitted this. It was further mistaken that it had taken the necessary steps to obtain approval of a change of its ownership to include entities related to RFQC and its owner, Ryan Beyerlein. It was also slow to act in tracking the 2019 harvest, but that problem was not repeated in 2020.

#### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for Violation Number One, Number Two, and Number Three as set out in the Notice. These were Licensee’s first and second Category I violations, and first Category III violation within two years. These violations were aggravated because there were three or more violations within a two-year period, regardless of the category, where the number of violations indicated a disregard for the law or failure to control the premises. Violations Number One and Number Three were aggravated because they were repeated.
2. Under the Verification of Compliance Program, the Commission withdraws Violation Number Four and issues a warning in lieu of a violation. A Notice of Warning for violation of OAR 845-025-7540(1)(2) will be placed on Licensee’s record.
3. Commission staff proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for these violations.
4. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on August 27, 2021, whichever is earlier. If Licensee’s license expires on or before August 27, 2021 and Licensee chooses to keep its license active beyond the expiration date, Licensee understands and agrees that it will have to timely submit a renewal application and any required fees. Renewal will not create any rights beyond the final surrender date.
5. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licensable at all, or will have an approved license on or before the date of surrender. Licensee understands and agrees that any new owner will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.
6. Each licensee agrees to accept a letter of reprimand for the violations specified in paragraph 1 above. This letter of reprimand will become a permanent part of each licensee’s Commission file and may be considered in any future or pending application for any license by the licensee.

(continue **LF FARMS/LIVE FREE**)

7. Licensee agrees that any marijuana items not properly transferred to another licensee prior to the date of surrender may be seized and destroyed by the Commission.
8. Licensee withdraws its Request for Hearing in this matter. The Commission and Licensee agree that this settlement agreement and the final order based hereon are intended only to determine the rights of Licensee, and shall have no effect upon any pending or future licensing requests by Rogue Farmer at Schroeder Lane, LLC and/or Ryan Beyerlein.
9. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

3. IND Group, LLC  
Peyton Palaio, Member  
Mark Jennings, Member/Manager  
dba **ARTIFACT EXTRACTS**  
(Processor)

OAR 845-025-3215(1)(a)(A), (1)(b)(C), (3)(a). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives operated other than its license permitted when Licensee and/or Licensee's employees, agents, or representatives transferred cannabinoid extracts or products to individuals who were not licensed marijuana processors, wholesalers, retailers, non-profit dispensaries, or research certificate holders, or license representatives thereof.

(Category I)

OAR 845-025-1300(1)(h). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives delivered or transferred marijuana items to a consumer off the licensed premises and/or to an unlicensed premises, other than as permitted by OAR 845-025-2880, when cannabinoid extracts or products from Licensee's inventory were brought to an unlicensed location for an event called BudFest and given to attendees.

(Category I)

OAR 845-025-8540(4)(a). On or about August 12, 2019, Licensee or Licensee's employees, agents, or representatives intentionally concealed potential evidence, attempted to do so, and/or encouraged others to do so when Licensee Mark Jennings prohibited or refused to allow Licensee's owners or employees to speak with OLCC Regulatory Specialists in relation to an ongoing investigation.

(Category I)

OAR 845-025-8520(4)(a). On or about June 22, 2019, Licensee's employees, agents, or representatives Natalie Raulin and/or Jessie DaHer consumed marijuana, an intoxicating substance, while on duty.

(1<sup>st</sup> Level Category III)

Note: Licensee was charged with these violations by an Amended Notice dated December 9, 2020. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

#### AGGRAVATION

The violations are aggravated because there were three or more violations within a two-year period, Violation Numbers One, Two, and Four were repeated.

(continue **ARTIFACT EXTRACTS**)

OAR 845-025-1175(1), (2). On or about July 31, 2019, Licensee or Licensee's employees, agents, or representatives made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission when it converted a room that was originally designated as an office to a storage room with a refrigerator and freezer used to store marijuana items, and failed to notify the Commission prior to making those changes.

(2<sup>nd</sup> Level Category III)

OAR 845-025-8520(2). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives failed to require a person to produce identification as required by ORS 475B.216 before selling or providing a marijuana item to that person when they provided marijuana items to attendees at an event called BudFest without asking for or checking the attendees' identification.

(1<sup>st</sup> Level Category IV)

**SYNOPSIS:** Licensee, a Processor, was involved in an unapproved promotional event called Budfest, where product was transferred to an unlicensed location and used to promote their business and their brand at the event. The produce was transferred to a retailer for the specific purpose of arranging for the purchase of that product back by a representative of the business in order to bring it to the event to promote their business and their brand. These were not bona fide purchases by a consumer, but rather a way to circumvent the rules regarding how and to whom a processor may transfer marijuana. At the event, representatives of the licensee gave marijuana items to attendees of the event. During the course of the investigation into the event and Licensee's participation, a license representative instructed Licensee's employees not to cooperate with the investigation or speak with the Inspector.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Numbers One, Two, and Three were Licensee's first Category I violation. Violation Numbers Four and Five were Licensee's first and second Category III violations within two years. Violation Number Five was Licensee's first Category IV violation within two years. These violations shall become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. Commission staff recommended aggravation because there were three or more violations within a two-year period, regardless of the category, where the number of violations indicated a disregard for the law or failure to control the premises; because Violation Numbers One, Two, and four were repeated; and because Licensee Mark Jennings was personally involved in Violation Number Three.

(continue **ARTIFACT EXTRACTS**)

3. Commission staff proposed the standard sanction of license cancellation for the violations. Licensee has begun the process of selling the business. Licensee will surrender its license on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on August 25, 2021, whichever is earlier.
4. If Licensee's license expires on or before August 25, 2021 and Licensees choose to keep their license active beyond the expiration date, Licensees understand and agree that they will have to timely submit a renewal application and any required fees. Renewal will not create any rights beyond the final surrender date.
5. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licensable at all, or will have an approved license on or before August 25, 2021. Licensee understands and agrees that any new owner will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.
6. Licensee relinquishes any and all interest in any marijuana items in their inventory that have not been transferred before the effective date of license surrender, and agree that the Commission may seize and destroy any such marijuana items.
7. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
8. Licensee withdraws their Request for Hearing.
9. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

4. River Valley Remedies, LLC  
Peyton Palaio, Member  
dba **RIVER VALLEY REMEDIES**  
1985 W 7<sup>th</sup> Avenue  
Eugene, OR 97402  
(Retailer)

OAR 845-025-2800(2)(a), (2)(b)(A), (4)(d), (4)(l). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives operated other than its license permitted when Licensee or Licensee's employees, agents, or representatives transferred or delivered free marijuana items to consumers outside of its licensed premises.

Note: Licensee was charged with these violations by Amended Notice dated December 9, 2020. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

OAR 845-025-1300(1)(h). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives delivered or transferred marijuana items to a consumer off the licensed premises and/or to an unlicensed premises, other than as permitted by OAR 845-025-2880, when marijuana items from Licensee's inventory were brought to an unlicensed location for an event called BudFest and given to attendees

AGGRAVATION

The penalty was aggravated because there were or three more violations within a two-year period and Violations One and Two were aggravated because they were repeated.

(Category I)

OAR 845-025-8540(4)(a). On or about August 12, 2019, Licensee or Licensee's employees, agents, or representatives intentionally concealed potential evidence, attempted to do so, and/or encouraged others to do so when employee or license representative Mark Jennings prohibited or refused to allow Licensee's owners or employees to speak with OLCC Regulatory Specialists in relation to an ongoing investigation.

(Category I)

OAR 845-025-7540(1), (4). On or about June 21, 2019, Licensee or Licensee's employees, agents, or representatives intentionally entered data into the METRC Cannabis Tracking System (CTS) that did not fully and transparently account for all inventory tracking activities when marijuana items that had been transferred from Licensee were returned to Licensee's custody and control after being purchased for use and display for business and/or promotional purposes at an event called BudFest, but not recorded in CTS as being in its inventory.

(Category I)

(Continue **RIVER VALLEY  
REMEDIES**)

OAR 845-025-8520(2). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives failed to require a person to produce identification as required by ORS 475B.216 before selling or providing a marijuana item to that person when they provided marijuana items to attendees at an event called BudFest without asking for or checking the attendees' identification.

(Category IV)

**SYNOPSIS:** Licensee, a Retailer, was involved in an unapproved promotional event called Budfest, where product was transferred to an unlicensed location and used to promote their business and their brand at the event. The product was removed from licensee's inventory by pre-arranged purchases by a license representative. These were not bona fide purchases by a consumer, but rather a way to circumvent the rules regarding how and to whom a retailer may transfer marijuana. At the event, representatives of the licensee gave marijuana items to attendees of the event. During the course of the investigation into the event and Licensee's participation, a license representative instructed Licensee's employees not to cooperate with the investigation or speak with the Inspector.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Numbers One, Two, Three, and Four were Licensee's first Category I violation. Violation Number Five was Licensee's first Category IV violation within two years. These violations shall become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. Commission staff recommended aggravation because there were three or more violations within a two-year period, regardless of the category, where the number of violations indicated a disregard for the law or failure to control the premises, and because Violation Numbers One and Two were repeated.
3. Commission staff proposed the standard sanction of license cancellation for the violations. Licensee has begun the process of selling the business. Licensee will surrender their license on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on August 25, 2021, whichever is earlier.
4. If Licensee's license expires on or before August 25, 2021 and Licensees choose to keep their license active beyond the expiration date, Licensees understand and agree that they will have to timely submit a renewal application and any required fees. Renewal will not create any rights beyond the final surrender date.
5. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licensable or will have an approved license on or before August 25, 2021. Licensee understands and agrees that any new owner will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.

(Continue **RIVER VALLEY  
REMEDIES**)

6. Licensee relinquishes any and all interest in any marijuana items in their inventory that have not been transferred before the effective date of license surrender, and agree that the Commission may seize and destroy any such marijuana items.
7. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
8. Licensee withdraws their Request for Hearing.
9. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

5. Compassionate Circles, LLC  
Sean Beeman, Member  
Kassy Beeman, Member  
PO Box 2191  
Eugene, OR 97402  
dba **GENESIS PHARMS**  
(Wholesaler)

OAR 845-025-3500(1)(a)(A)(D), (2)(a). On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives operated other than its license permitted when Licensee Sean Beeman and/or Licensee's employees, agents, or representatives transferred or delivered marijuana items to individuals who were not licensed marijuana retailers, wholesalers, processors, non-profit dispensaries, or research certificate holders, or license representatives thereof.

(Category I)

OAR 845-025-7540(1), (4) On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives intentionally entered data into the METRC Cannabis Tracking System (CTS) that did not fully and transparently account for all inventory tracking activities when marijuana items that had been transferred from Licensee were returned to Licensee's custody and control for use and display for business and/or promotional purposes at an event called BudFest, but not recorded in CTS as being in its inventory.

(Category I)

OAR 845-025-8520(2) On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives failed to require a person to produce identification as required by ORS 475B.216 before selling or providing a marijuana item to that person when they provided marijuana items to attendees at an event called BudFest without asking for or checking the attendees' identification.

( 1<sup>st</sup> Level Category IV)

Note: Licensee was charged with these violations by Amended Notice dated March 31, 2021. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff proposed to aggravate the penalty because these violations all involved more than one employee or patron.

**SYNOPSIS:** Licensee, a Producer, was involved in an unapproved promotional event called Budfest, where product was transferred to an unlicensed location and used to promote their business and their brand at the event. The produce was transferred to a retailer for the specific purpose of arranging for the purchase of that product back by a representative of the business in order to bring it to the event to promote their business and their brand. These were not bona fide purchases by a consumer, but rather a way to circumvent the rules regarding how and to whom a producer may transfer marijuana. At the event, representatives of the licensee gave marijuana items to attendees of the event.

(Continue **GENESIS PHARMS**)

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category I violations and first Category IV violation within two years. Any subsequent Category IV violation within the same two years will be charged at the second level. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. Commission staff originally proposed for these violations the standard sanction of license cancellation. Staff proposed to aggravate the penalty because these violations all involved more than one employee or patron.
3. The Commission will reduce the sanction and impose a 32-day suspension or \$5,610.00 civil penalty each for Violation Number One and Violation Number Two. The Commission will impose a nine-day suspension or \$1,450.00 civil penalty for Violation Number Three.
4. Licensee will pay a \$12,045.00 civil penalty before 5:00 PM on June 15, 2021 **OR** serve a 73-day suspension beginning at 12:00 PM (noon) on June 22, 2021 and ending at 12:00 PM (noon) on September 3, 2021.
5. Licensee withdraws its request for a hearing.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegations, the licensee agrees to accept a Letter of Reprimand for the violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

6. Rogue Farmer at Quartz Creek, LLC  
Ryan Beyerlein, Member  
dba **ROGUE FARMER AT QUARTZ  
CREEK**  
PO Box 1052  
Merlin, OR 97532  
(Producer)

OAR 845-025-2020(1)(d), (2).<sup>1</sup> On or about October 26, 2018, November 2, 2018, November 3, 2018, November 4, 2018, November 6, 2018, November 10, 2018, December 27, 2018, October 5, 2019, October 24, 2019, November 13, 2019, January 6, 2020, and/or January 15, 2020, Licensee operated other than its license permits when Licensee and/or its employees, agents, or representatives purchased or received non-waste useable marijuana and/or marijuana buds from producer licensee LF Farms (Producer License No. 100046667EC).

(Category I)

OAR 845-025-2080(1)(d)(e)(f) - On or about September 2, 2019 (with respect to its July 18, 2019 harvest), September 11, 2019 (with respect to its July 27, 2019 harvest), September 17, 2019 (with respect to its August 2, 2019 harvest), October 2, 2019 (with respect to its August 17, 2019 harvest), and/or December 17, 2019 (with respect to its November 1, 2019 harvest), Licensee and/or its employees, agents or representatives failed within 45 days of the date of each harvest to ensure that all inventory tracking procedures had been followed as required by OAR 845-025-7540 to 845-025-7580; failed to ensure that current weights of all receptacles linked to each plant that was harvested was accurately recorded in the METRC Cannabis Tracking System (CTS) pursuant to the system requirements of CTS; and/or failed to ensure that all weight of the harvest had been recorded and designated in CTS as either usable marijuana with an assigned unique identification tag, waste or moisture loss.

(1<sup>st</sup> Level Category III)

OAR 845-025-7570(4). On or about April 7, 2020, April 16, 2020, April 20, 2020, April 21, 2020, and/or April 23, 2020, Licensee created cultivation batches containing more than 100 immature marijuana plants in each, when Licensee and/or its employees, agents or representatives created the following cultivation batches (showing the

Note: Licensee was charged with these violations by Notice issued on June 2, 2020. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

#### AGGRAVATION

These violations were aggravated for repeated misconduct, and for three or more violations.

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<sup>1</sup> All citations are to rules in effect at the time of the incidents in question.

(Continue **ROGUE FARMER AT QUARTZ CREEK**)

number of immature plants in each): Redwood Burl (159 plants); Divine Storm (262 plants); Apples & Bananas (103 plants); Tropicana Punch (128 plants); Gummy Bunz (138 plants); GMO x Sunset Octane (125 plants); Supreme Diesel (231 plants); White Linen (156 plants); Terp Diamonds (209 plants); and/or Bad Betty (162 plants).

(1<sup>st</sup> Level Category III)

**SYNOPSIS:** This producer licensee accepted usable marijuana from another producer, LF Farms, which is outside its license privileges. It was mistaken in its belief that common ownership permitted this, or that common ownership had been correctly established. However, Mr. Beyerlein did make efforts at disclosing the change in ownership at LF Farms, and therefore this was viewed as a recordkeeping and communications shortcoming rather than any kind of dishonesty or deception. Licensee was also slow to act in tracking the 2019 harvest, but that problem was not repeated in 2020. The cultivation batch issue discovered in April 2020 was a product of misunderstanding the 100-plant limit, and the batches themselves were properly labeled and tracked in CTS.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I violation and first and second Category III violations, charged at the first level. Any subsequent Category III violation within the same two years will be charged at the second level. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. The standard sanction for Violation Number One is cancellation. The standard sanction for Violations Number Two and Number Three is a 10-day license suspension, or a \$1,650.00 civil penalty each. These violations were aggravated for repeated misconduct, and for three or more violations. The proposed penalty was license cancellation.
3. The Commission will reduce the sanction for Violation Number One to a 34-day suspension or a \$5,610.00 civil penalty. The Commission will reduce the sanction for Violations Number Two and Number Three to a nine-day suspension or a \$1,485.00 civil penalty each.
4. Licensee will pay an \$8,580.00 civil penalty before 5:00 PM on June 15, 2021 **or** serve a 52-day license suspension beginning at 12:00 PM (noon) on June 22, 2021 and ending at 12:00 PM (noon) on August 13, 2021.
5. Licensee withdraws its Request for Hearing in this matter.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order, the licensee agrees to accept a Letter of Reprimand for these violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for a license or permit by that licensee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

7. The Traveling Medicine Show, LLC  
Jacqueline Bixler-Wirkkala, Member  
dba **THE TRAVELING MEDICINE  
SHOW**  
(Producer)

OAR 845-025-1450(1)(a)(b). Between approximately January 24, 2019 and January 26, 2019, Licensee or Licensee's employees, agents, or representatives failed to have cameras that continuously recorded, 24 hours a day, in all areas where mature marijuana plants, immature marijuana plants, usable marijuana, cannabinoid concentrates, extracts or products may have been present on the licensed premises, and at all points of ingress and egress to and from areas where mature marijuana plants, immature marijuana plants, usable marijuana, cannabinoid concentrates, extracts or products were present when cameras were not recording onto the DVR.

Note: Licensee was charged with these violations by Notice dated January 19, 2021. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

OAR 845-025-1175(1). On or about December 20, 2018, Licensee or Licensee's employees, agents, or representatives made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission's prior written approval, when a barn used to dry and store post-harvest marijuana was added to the premises.

(1<sup>st</sup> Level Category III)

**SYNOPSIS:** On December 20, 2018, Inspectors went to the premises and found usable marijuana in an unapproved drying barn. It has subsequently been approved for use. On January 26, 2019, Inspectors returned to the premises to observe the destruction of waste marijuana. While there they requested the video surveillance for premises. They discovered that the video was not being stored on the DVR. This has been corrected.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I and Category III violations within a two year period. Any subsequent Category III violation within the same two year period will be charged at the second level.
2. Commission staff proposed to cancel the license and seize and destroy any remaining marijuana items on the licensed premises for these violations.
3. Licensee has begun the process of selling the business. Licensee will surrender its marijuana producer license on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on June 30, 2021, whichever is earlier. If Licensee's license expires on or before June 30, 2021 and Licensee chooses to keep its license active beyond the expiration date, Licensee understands and agrees that it will have to timely submit a renewal application and any required fees. Renewal will not create any rights beyond the final surrender date.

(Continue **THE TRAVELING MEDICINE SHOW**)

4. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licenseable or will have an approved license on or before the date of surrender. Licensee understands and agrees that any purchaser will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.
5. Licensee hereby relinquishes any and all interest in any marijuana items left at the licensed premises after the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws the request for hearing.
7. Each licensee agrees to accept a Letter of Reprimand for the violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their May 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensees' hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.